



Garden Necklace Yokohama 2018 (Safoyama Garden)

Policy and Fiscal Management of Yokohama City

April 20, 2018

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The foundation of Yokohama's growth
- Past achievements -

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New Mid-term Plan (FY2018-FY2021) and
main initiatives for FY2018

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Municipal government and
fiscal administration

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FY2018 plan for issuance of
municipal bonds for public offering

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The foundation of Yokohama's growth
- Past achievements -

Past Achievements

Global companies and universities are moving into Yokohama one after another



Apple YTC



Ken Corporation Ltd.
"K Arena" © Ken Corporation Ltd.



PIA Corporation
"MM Arena" (Tentative name) © PIA Corporation



Keikyu Group Head Office Building (Tentative name)



Murata Manufacturing Minato Mirai Innovation Center

Three new concert halls to be opened, including a large scale arena with a capacity of 20,000 audiences



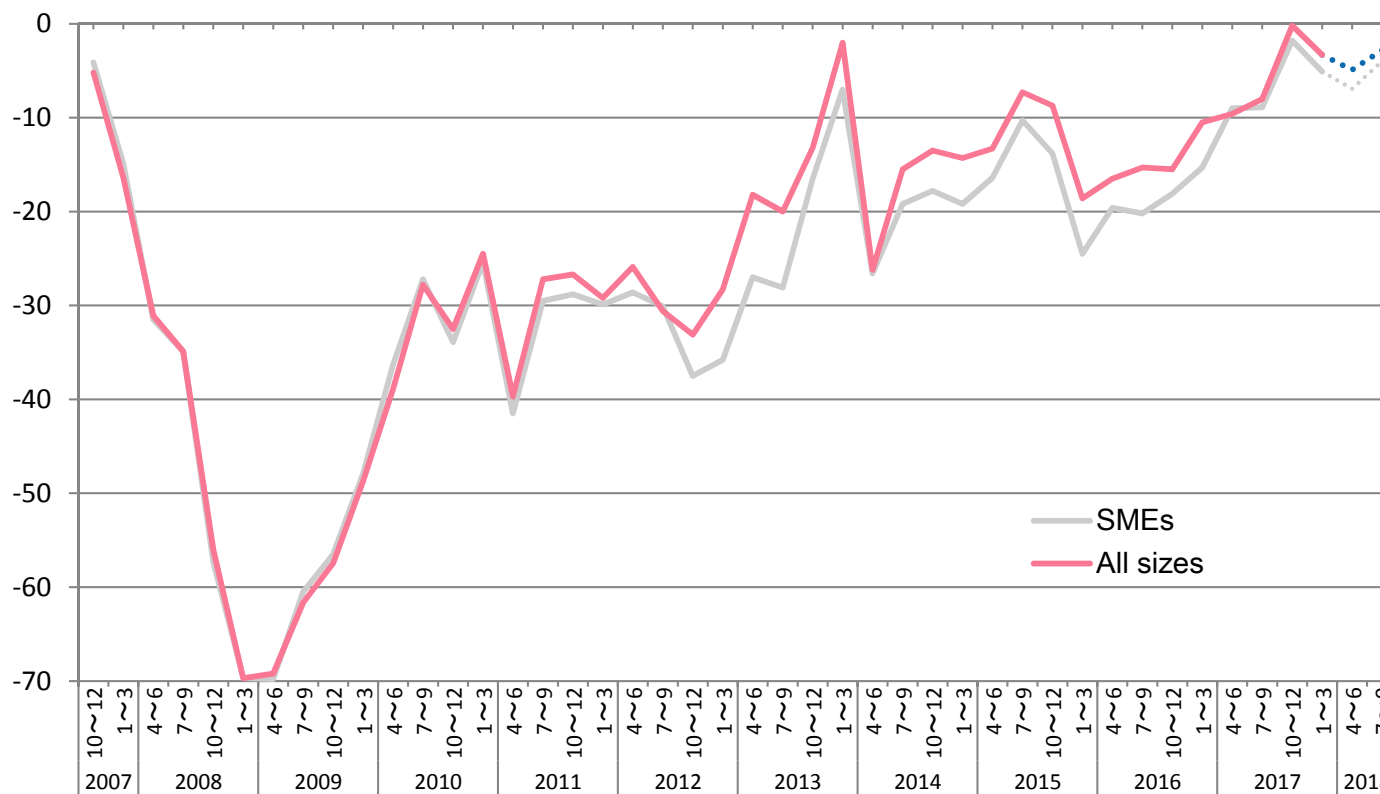
Kanagawa University Minato Mirai Campus (Tentative name)

Shiseido Global Innovation Center and the head office of Caterpillar Japan LLC. have also decided to locate in Yokohama

Kanagawa University and Kanto Gakuin University will open new campuses in Yokohama

Bright outlook for the Yokohama's economy

**Business Survey Index (BSI) trends
(for SMEs and companies of all sizes)**



BSI indicating business confidence of companies operating in Yokohama City has greatly improved, even for SMEs, exceeding that of FY2007 when BSI was the highest before the Lehman Crisis

* Business Survey Index (BSI) is obtained by subtracting the percentage of companies that answered "Bad" from the percentage that answered "Good" when asked about confidence in their own businesses.

* Source: The 104th Yokohama City Business Confidence and Business Operation Survey (conducted in March 2018)

Enhancing brand value, promoting tourism and invigorating the city

Promotion of art and culture

■ Dance Dance Dance @ YOKOHAMA 2015

Visitors

1,060,000

Economic ripple
effect

5.4 billion yen



The Tokyo Ballet
photo : Kiyonori Hasegawa



photo : PhotoCoice

■ Yokohama Otomatsuri 2016

Visitors

1,060,000

Economic ripple
effect

3.5 billion yen



© oono ryusuke



©oono ryusuke

■ Yokohama Triennale 2017

Visitors

260,000

Economic ripple
effect

3.5 billion yen



Ai Weiwei
《Safe Passage》 2016,
《Reframe》 2016
Photo : Ken Kato
© Ai Weiwei Studio



Joko Avianto
《The border between
good and evil is terribly
frizzy》 2017
Photo : Yuichiro Tanaka

Enhancing brand value, promoting tourism and invigorating the city

Building a city full of flowers and greenery



Harbor View Park (Garden of fragrance)



Satoyama Garden



Garden of rose and cascade (Harbor View Park)



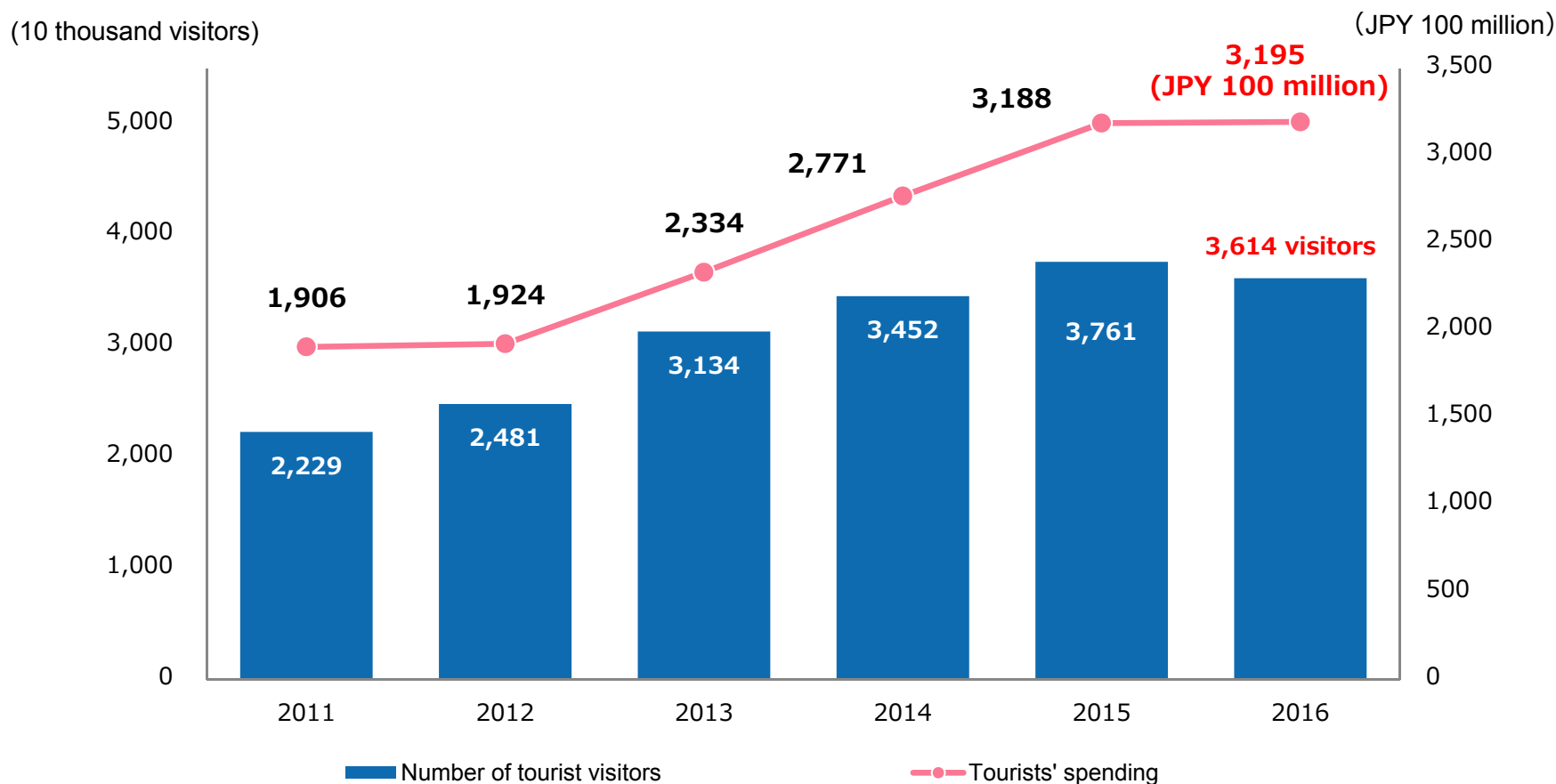
Future rosery (Yamashita Park)

**6 million people visited the 33rd National Urban Greenery Fair
Yokohama**

Enhancing brand value, attracting people and invigorating the city

Enhancing brand value, attracting people and invigorating the city

Changes in the number of tourist visitors and tourists' spending

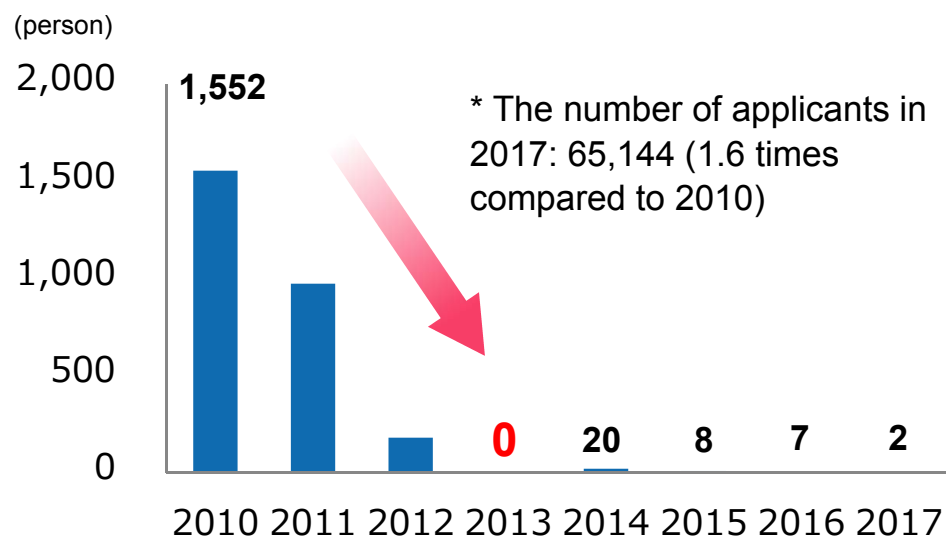


Tourists' spending grew by 1.7 times in the five years from FY2011, marking a record high of 319.5 billion yen in FY2016

Policy on waiting list for children and supporting social participation of women

Policy on waiting list for children

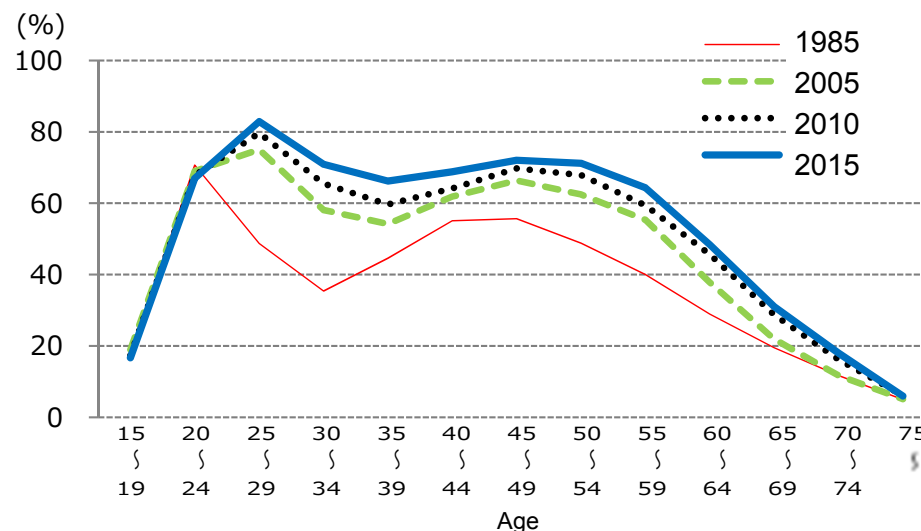
- Continues to aim for zero for children waiting list



Supporting Women's success

- Percentage of working women in their late 30s

2010 : 59.6% ➡ 2015 : 66.2% (+6.6)



*Source: 2015 National Census (Statistics Bureau, Ministry of Internal Affairs and Communications)

Improvement in the “M curve”

Enhancement of urban infrastructure

Developments/improvement of Yokohama Ring Expressway

■ Yokohama-kita Line

(Yokohane Line - Daisan Keihin Road)
Opened (3.18.2017)

Improved access from Shin Yokohama to
Haneda Airport, logistics efficiency and disaster
prevention capabilities

■ Yokohama Circular Northwestern Route

(Daisan Keihin Road - Tomei Expressway)

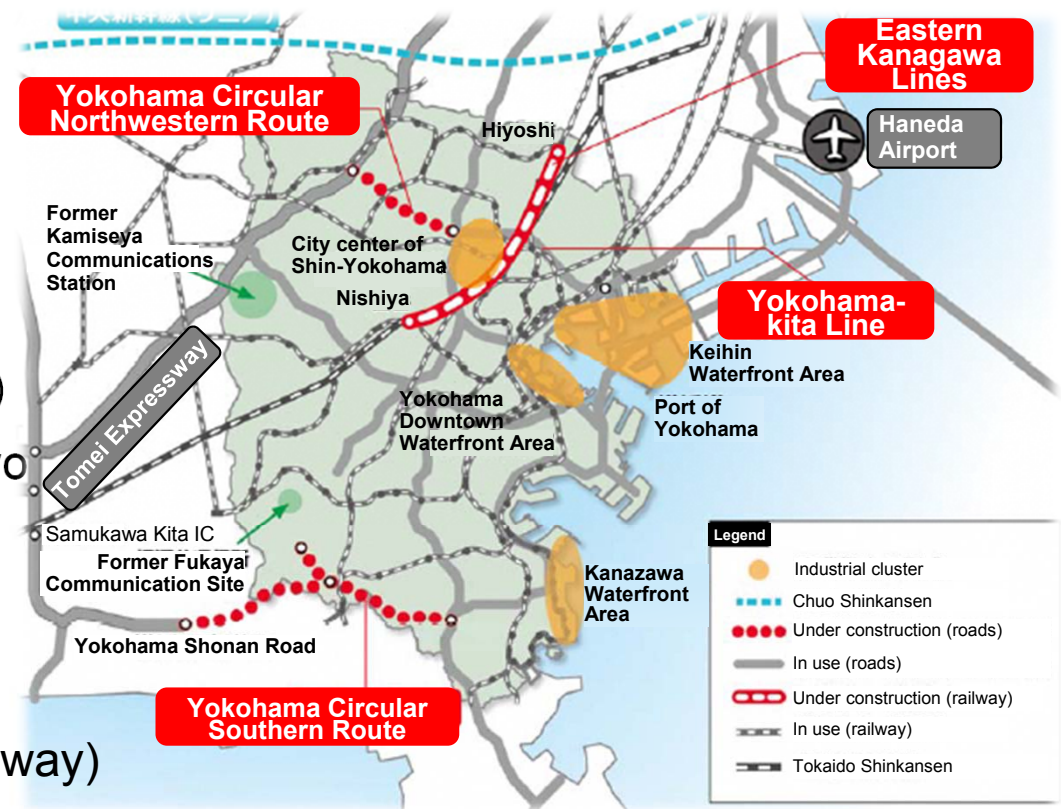
Scheduled to be opened by the 2020 Tokyo
Olympic/Paralympic Games

Economic effect of about 60 billion yen expected
by accelerating the schedule for completion by two
years

■ Yokohama Circular Southern Route, Yokohama Shonan Road (Ken-O Expressway)

To be opened in FY2020*

*If site acquisition completes without delay according to
procedures based on Land Expropriation Act




Development of routes in eastern Kanagawa

■ Nishiya - Hazawa (Sotetsu - direct connection to JR lines) To be opened in FY2019

■ Hazawa - Hiyoshi (Sotetsu - direct connection to Tokyu lines) To be opened in FY2022


Yokohama won the first place in the 2018 Kanto area ranking of “The most popular places to live in” based on a survey by SUUMO (real estate/residence website)

 Rank	Name of nearby rail station	Railway line
No.1	Yokohama	JR Keihin Tohoku Line
No.2	Ebisu	JR Yamanote Line
No.3	Kichijoji	JR Chuo Line
No.4	Shinagawa	JR Yamanote Line
No.5	Ikebukuro	JR Yamanote Line
No.6	Musashikosugi	Tokyu Toyoko Line
No.7	Shinjuku	JR Yamanote Line
No.8	Meguro	JR Yamanote Line
No.9	Omiya	JR Keihin Tohoku Line
No.10	Urawa	JR Keihin Tohoku Line

(Source: Recruit Sumai Company, Ltd.)

Aoba Ward of Yokohama City ranked first in Japan for “average life expectancy by municipality for men” !

Men

Rank	Name of municipality	Average life expectancy
 No.1	Aoba-ku, Yokohama City	83.3
No.2	Asao-ku, Kawasaki City	83.1
No.3	Setagaya-ku	82.8
No.4	Tsuzuki-ku, Yokohama City	82.7
No.5	Kusatsu City, Shiga prefecture	82.6
No.6	Suita City, Osaka prefecture	82.6
No.7	Minoh City, Osaka prefecture	82.5
No.8	Omachi City, Nagano prefecture	82.5
No.9	Ikoma City, Nara prefecture	82.4
No.10	Miyamae-Ku, Kawasaki City	82.4

Women

Rank	Name of municipality	Average life expectancy
No.1	Kitanakagusuku village, Okinawa prefecture	89.0
No.2	Nakagusuku village, Okinawa prefecture	88.8
No.3	Nago City, Okinawa prefecture	88.8
No.4	Asao-ku, Kawasaki City	88.6
No.5	Nonoichi City, Ishikawa prefecture	88.6
No.6	Tsuzuki-ku, Yokohama City	88.5
No.7	Kikuyo-Town, Kumamoto prefecture	88.5
No.8	Setagaya-ku	88.5
No.9	Aoba-ku, Yokohama City	88.5
No.10	Miyamae-ku, Kawasaki City	88.4

(Source: “2015 Overview of Life Tables by Municipality” Ministry of Health, Labour and Welfare)

2

New Mid-term Plan (FY2018-FY2021) and main initiatives for FY2018

Views to 2030 -- Six strategies to prepare Yokohama for the next generation

Getting ready for the next stage

Strong economic growth and creation of arts and culture

Environmentally friendly city full of flowers and greenery

Accommodating a super-aging society

Active city that attracts people and business

Supporting the foundation of growth

Diverse human resource to build the future

Resilient city for the future

Incorporation to the new mid-term plan

Enhancing attraction and energy of Yokohama

while ensuring and improving the safety and security of citizens as the local municipality

Energizing of the economy

■ Strengthening of open innovation

I•TOP Yokohama: IoT Open Innovation Partners

(Participating organizations: **257** *as of end of March 2018)

To support the creation of new business models utilizing IoT and building on the accumulation of manufacturing and IT sector experience

LIP. Yokohama: Yokohama Life Innovation Platform

(Participating organizations: **144** *as of end of March 2018)

To support the creation of new products, technologies and services in the health sector through industry, academia, government and financial sector collaboration

■ Strategic attraction of companies, support for overseas business and establishment of an U.S. office

Y-PORT Project: International technology cooperation project through public-private collaboration

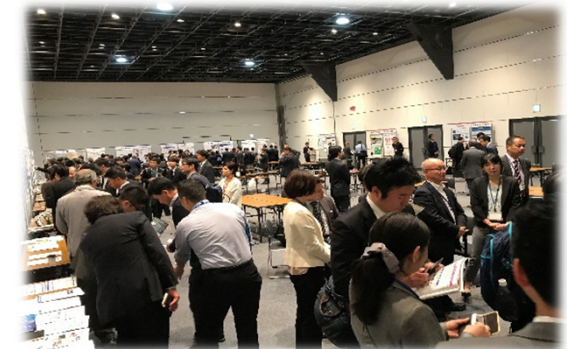
(Signing of a MOU with **four cities in Asia**)

To solve problems facing cities in emerging countries and help SMEs in Yokohama expand infrastructure business overseas

■ Property tax on depreciable assets that help improve productivity will be exempted for a period of three years (bill to be submitted to the 2018 second meeting of the city assembly)



Demonstration experiment of a new transportation service, “Easy Ride” using a driverless vehicle jointly developed by Nissan Motor Co. and DeNA



LIP. Yokohama business matching event with leading companies from different fields



Construction of sludge treatment facility (Cebu)

Creation of arts and culture

- Consideration towards and survey building a new theater
- Dance Dance Dance @ YOKOHAMA 2018

Promotion of MICE

- A new MICE facility in the 20 Gaiku area
“Pacifico Yokohama North(tentative name)” to be opened in
spring 2020

Preparation for the 7th Tokyo International Conference on African Development (TICAD) (2019)

Rugby World Cup 2019™

2020 Tokyo Olympic/Paralympic Games

- Strengthening promotion overseas
(for attracting businesses and visitors)



Pacifico Yokohama North



TICAD 6th Summit side event
“Improved Women Socio Economic Development” (Aug. 2016)



Rugby World Cup 2019™

7 games including the final and semifinal games
will be held in Yokohama



Rugby World Cup 2019™
and 2020 Tokyo Olympic venue for
soccer: International Stadium Yokohama



2020 Tokyo Olympic
Venue for baseball and softball
Yokohama Stadium

The Future City Initiative

- Efforts to be selected as a “SDG Future City”

Garden City Yokohama

Attracting people and invigorating the city with flowers and greenery

- Garden Necklace Yokohama 2018 (ongoing since March 24) at multiple venues in the Harbor Area and Satoyama Garden
- Promotion of “Yokohama Green-Up Plan”

ガーデンネックレス横浜
Garden Necklace
YOKOHAMA 2018



Mascot character
“Garden Bear”
©ITOON/GN



Harbor Area (until June 3)



Satoyama Garden (until May 6)

Securing sufficient healthcare function towards 2025

- Securing enough beds at hospitals and nursing homes, enhancing home healthcare
- Promoting community healthcare cooperation utilizing ICT

Development of special nursing homes

- Capacity for new applications in 2018 will be doubled to approx. **600**

Yokohama Walking Point 2nd term

- Release of pedometer application for use on smartphones (April 5, 2018 -)
(achieved 300,000 registrations in the 1st term)



Yokohama Enjoy Walk event



Screenshot of pedometer application for smartphones



Functional enhancement of city center waterfront areas

City development in Kannai and Kangai areas

Renewal of Yokohama Cultural Gymnasium
(Business contract concluded)

Utilization of the former Yokohama Education and Culture Center site

(Kanto Gakuin University has been chosen as the business operator)

Utilization of the area surrounding the current city hall

(Public invitation for operators in the latter half of FY2018)

Excite Yokohama 22

Recreating Yokohama Station, the gateway to Yokohama

(Designing of West Exit Central Station Plaza)

(Connecting the main street of the West Exit Underground Shopping Mall)



Renewal of Yokohama Cultural Gymnasium
Birdseye view of Main Arena and Sub Arena



Kanto Gakuin University campus (former Yokohama Education and Culture Center site)

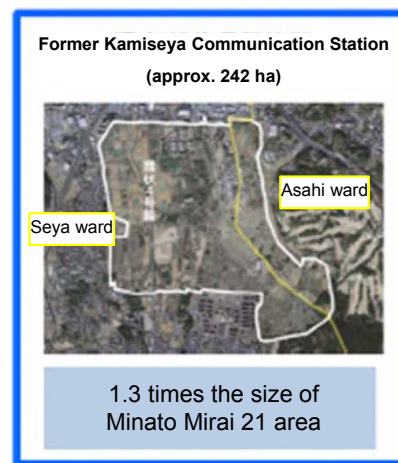
Active City That Attracts People and Business

Promoting utilization of former military facility sites

- Former Fukaya Communication Site (e.g. Development of basic plan for utilization of each facility)
- Former Kamiseya Communication Station (e.g. Development of land use general plan)

International garden festivals

- Former Kamiseya Communication Site (Aiming to hold a festival in 2026 at earliest)



Former Kamiseya Communication Station site



Festivals and expositions as a step to build a better city for the future

- Communicating information on new actions and projects to the world
- Increased tourism, human exchange and heightened brand value
- Forming vigorous hubs in the suburbs
- Further development as a Garden City
- Empowering citizens and energizing local economy
- Setting an example for community building by harnessing flowers, greens and agriculture

Enhancement of child-rearing environment

- Measures to eliminate children on waiting list (additional capacity of 2,795)
- Preparing to expand coverage of free medical care for children (outpatients) (coverage to expand to the age of 15 from April 2019)
- Measures to fight child poverty (enhancing one-on-one learning support etc.)

Enhancement of educational environment

- Early detection of bullying, enhancement of systems for solving the problem
- Enhancing optional lunch program for junior high school students (Lowering the price of optional lunch from April 2018)

Enhancement of support for social participation of women

- Women's Networking Conference in Yokohama, Women's Business Festa
(Jan. 2018; approx. 1,500 participants)
- Support for female entrepreneurs 221 startups
(e.g. business & management consultation offered by "F-SUS Yokohama", matching with purchasing personnel of department stores)



Nursery school built within a park by utilizing the National Strategic Special Zones system
(Izumi Tanmachi Koen Hoikuen opened in April 2017)



Women's Networking Conference in Yokohama & Women's Business Festa (Jan 2018)

Maintenance and renewal of public facilities

- Renewal of municipal housings
(e.g. refurbishing interior of Hikarigaoka Residence)
- Planned rehabilitation of elementary and junior high schools
(basic design of 3 schools)

**Maintenance cost of around JPY 3.3 trillion
will be required in the next 20 years**

*Estimate as of 2011 (estimated cost for 20 years from 2012)

Efforts for disaster prevention and mitigation

- Development of emergency transportation roads, etc.
- Measures to prevent mud and rock slides on roads
- Antiseismic reinforcement or replacement of bridges
- Antiseismic reinforcement of pedestrian bridges
- Promotion of elimination of utility poles



before

after

Repainting of the exterior walls of
Matsumoto Junior High School, Kanagawa Ward



before

after

Measures to prevent mud and rock slides in Okamura 2-chome,
Isogo Ward

Enhancing international competitiveness of the Port of Yokohama

- Development of a passenger vessel terminal at No. 9 Port
- Development of a temporary CIQ facility at Daikoku Pier
- Consideration of commercialization of Shin Honmoku Pier, development of Minami Honmoku Pier

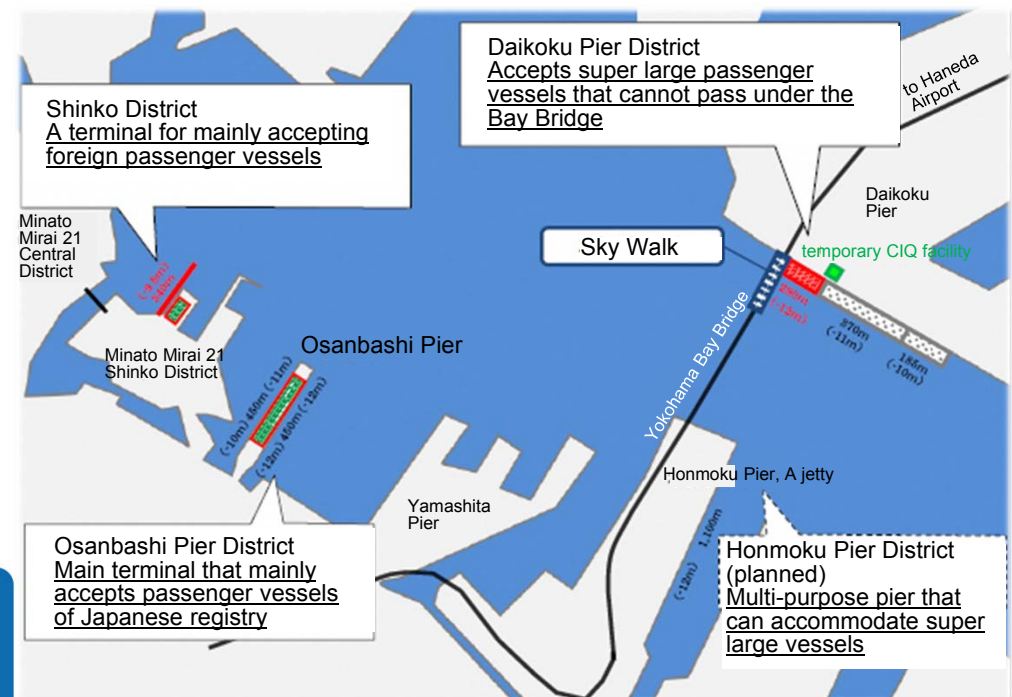


Development of a temporary CIQ facility at Daikoku Pier



Image of Shinko District Passenger Liners Terminal (tentative name)

The number of port calls by passenger vessels marked a record high of 178 in 2017. Further increase is expected in 2018



3

Municipal government and Fiscal administration

Positive growth of budget for general accounts +5.1%

Name of account	FY2018	FY2017	Increase / decrease	Rate of change
General accounts	1,730 billion yen	1,645.9 billion yen	84.1 billion yen	5.1%
Special accounts	1,295.5 billion yen	1,344.9 billion yen	- 49.4 billion yen	- 3.7%
Government enterprise accounts	565.6 billion yen	580.1 billion yen	- 14.5 billion yen	- 2.5%
Total	3,591.1 billion yen	3,570.9 billion yen	20.3 billion yen	0.6%

Reasons of increase and decrease in general account

- Increase in facility maintenance and development cost: +29.9%

(Costs for public investments increased due to improvement works of Yokohama Circular Northwestern Route, construction of the new city hall, etc.)

- Increase in social benefit costs: +3.8% (increase in nursery and education related benefits)

Expected municipal tax revenue: 812.6 billion yen

(93.3 billion year-on-year increase (+13.0%))

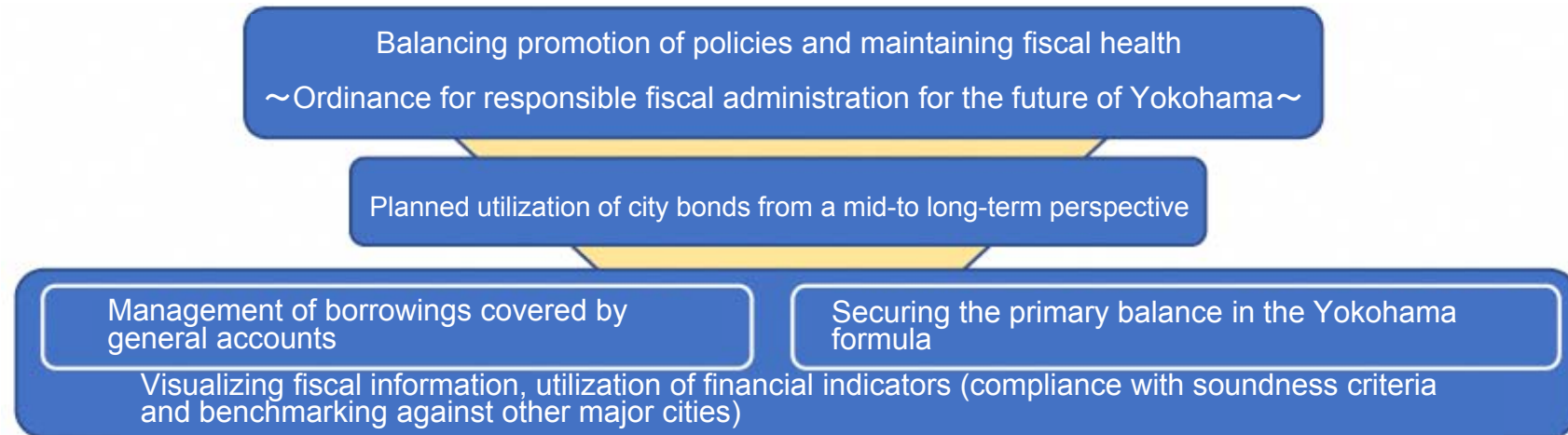
- Citizen tax: Increase by 86.4 billion yen

(Transfer of tax revenue source associated with transfer of teacher salary payments from the prefecture to the city (84.2 billion yen), increase in the number of income tax payers, etc.)

- Corporate citizen tax: increase by 3.8 billion yen (Increase in enterprise revenues)

- Fixed asset/City planning tax: increased by 4.4 billion yen (Changes in land appraisals, etc.)

Planned utilization of city bonds from a mid- to long-term perspective



Amount of city bond utilized in FY2018 budget

- City bond: 171.6 billion yen (primary balance in the Yokohama formula ▲25.2 billion yen)
=> Prospect to recover balance(*) over the four years from FY2018 to FY 2021
(*utilization confined within the range of original expenditure for the bonds issued over the four years)
- Balance of borrowings covered by general accounts [estimate for the end of FY2018(*)] 3,170 billion yen (*after adjustments as of March FY2017)
=> Prospect to reduce the balance of borrowings below the level as the end of FY2017 (around 3,160 billion yen) by the end of FY2021

“Special Autonomous City”, a New System for Major Cities

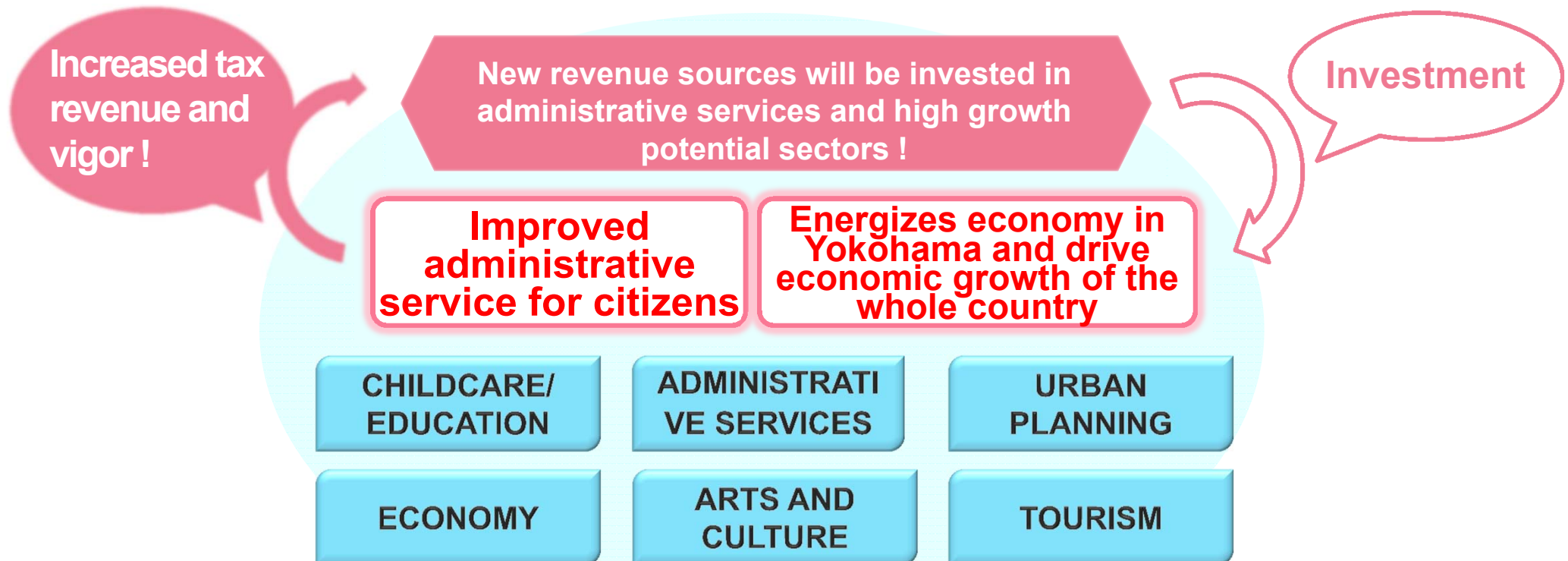
Challenges
facing
Yokohama as
a major city

- Overlapping governance by the city and prefecture
- Inadequate taxation measures
- Dwindling population and approach of super-aging society
- Increased demand for maintenance and renewal of public facilities
- Overconcentration in Tokyo



New system of **“special autonomous city”** solves these problems

- Fully resolve overlapping governance
- Review allocation of tax revenue source to realize fair allocation



Toward Adopting the New System

Transfer of tax revenue source associated with transfer of teacher salary payments from the prefecture to the city

- Administrative authority related to the teachers of city-run elementary and junior high schools have been transferred from prefectures to cities along with associated tax revenue sources (since April 2017)

Enables optimal allocation of teachers in accordance with the actual status of pupils, students, schools and local community

Authority	Prefecture	City
Allocation/appointment of teachers		●
Teacher salary payments	●	
Determination of necessary number of teachers	●	
Determination of criteria for deciding class organization	●	

Transferred in April 2017

City
●
●
●
●

Issuance of passports will also transferred from the prefecture to the cities

- A new office to be set up in Tsuzuki Ward (around autumn of 2019)

The third Yokohama City Council on Self Governance of Major Cities*

- To research, consult and deliberate on the design of the Special Self Governing City system.
(2 years from march 2018 *Panels: Takuya Tsuji, Vice President of Hitotsubashi University, and 6 other members)

4

FY2018 plan for issuance of
municipal bonds for public offering

History of Dialogue with the Market in Issuing Yokohama City Bonds

Established bond offering practice with a focus on the market

Continues to adopt the “book-building method” in public bond issuances for all tenors

Promotion of **sinkable bonds**

(mandatory repayment schedule of 15, 20 and 30 years: Total of JPY 115 billion)

2018

Lead managing issuances for all types and maturities of bonds

- spread pricing and uniformed price release

2003

20-year term bonds issued by public offering (**first as a municipality**)

2004

Transition to determining the bond's terms on an individual basis (independent decisions)

- Started to place importance on dialogue with the market

2006

Acquired a credit rating on request (**first among organization publicly offering bonds**)

- Attained confidence and recognition from the market

2010

2013

Issued third sector reform promotion bonds

- Issued 5-year term bonds worth of **JPY 70 billion**

2015
~2017

FY2018 Plan for Issuance of Municipal Bonds for Public Offering

Bond issuance policy

Promotes meetings with investors **to strengthen relationships** with investors through the proactive provision of information

Issuance plan

FY2018: **JPY 220 billion**

(unit: 100 million yen)

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total	
Medium term	100						100						200	2,200
10-year term	400						300						700	
Super long-term	100						100						200	
15-year sinkable	500												500	
Flex	600												600	

*Medium term bonds: bonds with terms longer than a year and shorter than 10 years

Super long-term bonds: bonds with terms exceeding 10 years (excluding 15-year scheduled payment bonds)

Yokohama has built a new mid-term plan to take a new step toward sustainable growth of Yokohama City



If you have any questions, please feel free to contact

**Yokohama City Home
page**

<http://www.city.yokohama.lg.jp/lang/en/>

**Yokohama City
Bonds Home Page**

<http://www.city.yokohama.lg.jp/zaisei/ir/en/>

Contact: Inquiries regarding Yokohama City Bond

**Municipal Bond Section, Revenue Division, Financial
Affairs Department, Finance Bureau, City of Yokohama**
City Hall 4F, 1-1 Minato Machi, Naka-ku, Yokohama, Kanagawa
231-0017
Tel : 045-671-2240
Fax : 045-664-7185
Email : za-sisai@city.yokohama.jp

Contact: If you are interested in locating in Yokohama City

Yokohama City Promotion HQ

Prudential Tower 3F, 2-13-10 Nagata-cho, Chiyoda-ku, Tokyo
100-0014
Tel : 03-5501-4802 (Business Attraction and Site Division,
Economic Affairs Bureau)
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